



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
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MSHDA-Legal

Ms. Mary Levine  
Acting Director of Legal Affairs  
Michigan State Housing Development Authority  
735 E. Michigan Avenue  
Lansing, MI 48909

Dear Ms. Levine:

This letter is in response to MSHDA's recently released Draft Qualified Allocation Plan (QAP) for Low Income Housing Tax Credits (LIHTCs) for 2008-2009. The Michigan HUD Offices values the partnership it has with the Michigan State Housing Development Authority (MSHDA) in addressing many of the housing needs in the State of Michigan. The LIHTC program has been a valuable resource in preserving and developing new affordable housing units in the State of Michigan. With limited resources for new affordable housing units, preserving the existing stock of affordable housing becomes an even more critical goal of the affordable housing industry.

MSHDA's current QAP, which allows a preservation set-aside of LIHTCs, has been a vital resource in preserving many units that otherwise might have been lost to the conventional market. It has been documented and discussed at the QAP Public Hearings that forty-six states have a set-aside allocation of LIHTCs for the preservation of affordable housing.

While HUD appreciates the need periodically to review and perhaps revise the allocation of scarce resources, we urge MSHDA to use caution in implementing significant change too quickly. We further urge the Agency to consider a balance that allows for the equitable allocation of LIHTCs to both special need units and affordable housing units throughout the State of Michigan.

Sincerely,

Louis M. Berra  
Field Office Director